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DP/PROJECTS/7546

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF BRASIL

IPF:(1992-96) $14 183 000

(BRA/91/013) - Support to the Development and Programmes for the Labour Sector (Supplementary Assistance)

Date of approval by the AC:[1/]	15 December 1993
Expected duration:	Four years
Proposed executing agency:	Government
Government implementing agency:	Ministry of Labour
Proposed UNDP contribution:	$ 20 000
Government cost sharing:	$ 6 880 800
Previous UNDP contribution:	$ 1 500 000
Total UNDP budget:	$ 8 400 800

Project background

Labour Legislation in Brazil was drawn during the late fifties early sixties, when the country's industrialization strategy was being launched. The new economic conditions required a large pool of labour force to fulfil the growing demand of newly created industries. In this context, the new labour laws put an end to existing pre-capitalist forms of production in the agricultural sector, eliminating the "colonato" and with it, worker's assurance of land and shelter within large rural landholds. This induced migration toward the urban belts, transforming the population and labour force structure which from then onwards became predominantly urban.

The prevailing economic model generated steady growth and a minimum unemployment rate until the oil crisis of the seventies which brought along high interest rates, recession, inflation and a high unemployment level which persist up to now, together with an increasing impoverishment of large sectors of the population and the consequent erosion of labour relations. Despite the drastic structural transformations that Brazil has undergone during its industrialization stage, the Labour Legislation has remained practically unchanged since its creation. It is mainly geared to guarantee state control of labour organizations and state intervention in labour relations; and does not enable the development of the instruments needed to support the present normative role of the State.

In terms of the institutional framework created in 1930, the Ministry of Labour has gone through since 1961 a series of administrative ups and downs, becoming off and on part of the Ministry of Social Welfare.

In 1992, the Government of Itamar Franco decided that the Ministry of Labour should

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[1/] **This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.**

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exist as a separate entity, and should lead the institutional, legal and administrative reforms that are needed to modernize the labour sector in Brazil. To this end, the Government requested further UNDP assistance under the present approval.

Description of project

The project aims at supporting the national goal of modernizing labour relations in Brazil. This entails the redefinition of existing labour legislation and the restructuring of the Ministry of Labour to allow it to respond to its new normative role.

The immediate objectives of the project are to: (a) provide support in defining a new set of labour laws and the corresponding Constitutional amendments; (b) build the managerial capacity needed at the Ministry of Labour to perform its new functions; (c) support the definition of national policies to promote employment and labour intensive investment projects; and (d) implement a national advocacy programme for labour rights.

Inputs

UNDP will provide 19 work-months of international and 1322 work-months of national consultants in areas such as health and security of employees, administration of public funds, generation of programmes of employment, methodology of collective contracts, and labour legislation; subcontracts for publication of books, analysis on the social impacts of the use of the official trust funds, studies and capacitation of human resources, implantation of a data bank related to employment situation, syndicates and strikes; training in the areas of health and security of employees, ergonomy and planning; seminars in prevention of use of children as labour force, collective contract system and wage policy; equipment required to strengthen the informatization system of the Ministry; and miscellaneous costs.

Financial data

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Personnel	1 939 000
Subcontract	3 468 200
Training	1 263 600
Equipment	170 000
Miscellaneous	60 000
Total	6 900 800

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